COMMUNISM IS TREASON!

FIGHT IT WITH . . .

Common Sense®

LEADER IN THE NATION'S FIGHT AGAINST COMMUNISM

®Trade-mark registered 1948 United States Patent Office

"The truth, the whole truth, and nothing but the truth . . . without fear or favor"

Conde McGinley
1890 • FOUNDER • 1963

ISSUE NO. 496, JUNE 1, 1967 | Second Class Postage Paid at Union, N.J. | Subscription $3.00 per year

SOCIAL SECURITY HOAX

We Do Not Want to Shoot Santa Claus --- We Do Want to Present the Facts Regarding What Is Labeled "Social Security" But What in Truth Is Socialized Insecurity

Fraud Has Exaggerated National Debt
Imaginary Bonds Called Assets
As Well as Debts

By JERROLD MARTIN

"You can't fool all the people all the time," someone once observed.

Surprisingly, however, one national hoax has thoroughly deceived an entire generation of Americans.

Its seemingly harmless deception is so obvious and ridiculous that it borders on the amusing. But because it conceals a more pernicious fraud, its effect on misled Americans is serious and often tragic.

This hoax is our exaggerated national debt. It is reported to be $325 billion. Actually it is only $258 billion, according to the U. S. Treasury's own official figures.

The inflated total results from counting, as debts, unsold U.S. government bonds admittedly still owned and held by the U.S. Government. Our Treasury Department includes, as debts, money that our U.S. Government supposedly owes to itself.

The Definition

No group can possibly be in debt to itself. A debt means money owed to someone ELSE.

This obvious fact is acknowledged in the Treasury Department's explanatory pamphlet, "OUR NATIONAL DEBT":

"The national Debt — officially termed 'the public debt' — is essentially like a bank loan or any other debt. Somebody (the government) owes it and somebody ELSE (the owners of U.S. government Securities) holds the evidence of that debt."

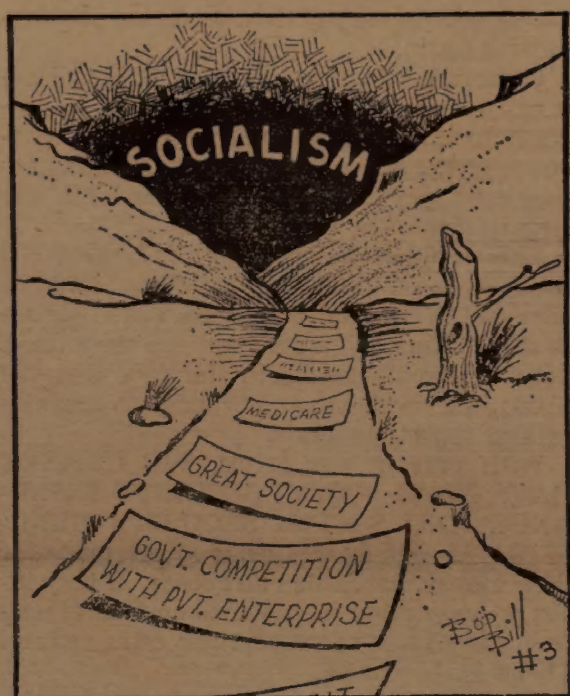
Thus government-owned government securities do not fit their own definition.

Strictly speaking, it is improper to term these "bonds" or "securities." These were never issued to lenders in receipt of loans nor even offered for sale. They are just meaningless billion-dollar checks our Administration has written to itself. Without affecting anyone these could be burned with other redeemed securities or unsold bonds — if our administrators have bothered to print them.

What's the Purpose?

Why have our President and Congressmen labored to misrepresent our liabilities as members of the U.S. Government? Why do they risk becoming the laughing stock of their electorate by continually selling themselves their own bonds, complete with interest and due date, then announcing we are deeper in debt and that they must raise the debt ceiling again? Why does President Johnson's budget request Congress to pay itself $3 billion in interest on some unsold bonds?

It is certainly not to win votes. No party openly advocates increasing any government's debts. If anything is promised it is balanced budgets, not large deficits.



Their intent cannot be to stimulate support for huge subsidies for businessmen, extravagant non-government projects, and massive welfare. A debt of $325 billion dampens support more than one of $258 billion.

Nor can it be to attract favorable publicity. The opposite occurs.

An exaggerated national debt cannot be an end in itself. Its political liability must be unavoidable to camouflage something even more undesirable.

What are they hiding from us?

Fictitious Assets

The intent of the Johnson Administration becomes transparent when we note that they call the imaginary bonds ASSETS as well as debts:

$24 billion of these unsold bonds are called the Federal Old Age and Survivors Insurance Trust Fund and the Railroad Retirement Account;

$25 billion of these worthless securities are named the Federal Employees Retirement Fund, the Veterans Life Insurance Funds, and the Judicial Retirement and Survivors Annuity Fund;

$11 billion in fake bonds are labeled the Federal Unemployment and Disability Trust Funds and the fund for Longshoremen's relief and rehabilitation; and another

$7 billion are the fictitious insurance funds of the Federal Deposit Insurance Corporation, the Savings and Loan Insurance Corporation, the FHA, and the federal home-loan and land banks.

The Illusion Intended

These phony bonds and trust funds imply that certain business taxes and payroll deductions are contributions to compulsory insurance programs, whose entire funds are invested in interest-bearing U.S. Bonds and held in trust for us by special agencies of the U.S. Government.

This would mean that contributions remain our individual properties; that future benefits would come from our past savings; that Congress is legally bound to pay us benefits according to some policy; and that we would be legally and morally entitled to these benefits.

Evidently our national employees compel us to buy their insurance to be sure we won't be destitute during old age, unemployment, illness, disability, loss of bank deposits, or the death of the family wage-earner. They must not want us to become additional parasites on society's already overburdened welfare agencies. While oppressive, they appear benevolently anxious to secure our future.

The Actual Situation

The almost universal acceptance of this illusion, by critics as well as the uncritical, must continually amuse its cynical inventors, since the truth is the opposite.

"Social Security" payroll deductions are not collected under any trust agreement or insurance policy or any contract or verbal promise stating that the money remains the property of the contributors. These are ordinary income taxes collected to pay the debts of the U.S. Government and favored individuals. So are the corresponding "pension-fund" deductions of federal employees and railroad workers and the compulsory "Federal Deposit Insurance" taxes paid by national banks.

This money was not saved, loaned or invested for the contributors' future benefits. All was spent covering government expenses. No significant balance ever remained to save or invest. Rather, a deficit occurred nearly every year. None of these past earnings are available today. All benefits being presently paid are additional CURRENT U.S. taxes. Some of these were collected just a few months before, from the beneficiaries themselves!

These extra taxes are given not as legally required payments on insurance policies, but as charity. If payments stop, contributors cannot sue on breach of contract, because Congress is not indebted to them. The Treasury does not pay benefits under any mandatory contract — such as U.S. Bonds, for example — without special congressional appropriation.

Actually, Congress distributes our national funds as personal gifts without constitutional authority. We have authorized Congress "to

(Continued on Page 2)

TAX, TAX, TAX --- SPEND, SPEND, SPEND --- ELECT, ELECT, ELECT ---
THE PEOPLE ARE TOO DAMN DUMB TO UNDERSTAND - - - HARRY HOPKINS